

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

E-IMAGEDATA CORP.,

Plaintiff,

v.

Case No.2:11-cv-1157

DIGITAL CHECK CORP.

d/b/a S-T IMAGING,

Defendant.

COMPLAINT

The Plaintiff, e-Image Data Corp (“e-Image”), by its attorneys Quarles & Brady LLP, for its Complaint against the Defendant seeks injunctive and monetary relief based on trademark infringement and unfair competition. E-Image hereby states as follows:

NATURE OF THIS ACTION

1. This action seeks preliminary and permanent injunctive and monetary relief stemming from the Defendant’s unauthorized use of e-Image’s AUTO-SCAN trademark in connection with computer software used with microfilm scanning systems.

THE PARTIES

2. Plaintiff e-Image is a Wisconsin corporation, with its principal place of business in the State of Wisconsin, located at 340 Grant Street, Hartford, WI 53027. E-Image is a manufacturer of microfilm scanning systems.

3. Defendant Digital Check Corp. is a Delaware Corporation that is qualified to do business in Illinois. Its principal place of business is located at 630 Dundee Road, Suite 210, Northbrook, IL 60062. Digital Check Corp. is doing business under the tradename S-T

Imaging. S-T Imaging is a direct competitor of e-Image in the field of microfilm scanning systems.

JURISDICTION & VENUE

4. This Court has original jurisdiction of this action pursuant to 28 U.S.C. §§ 1331 and 1338, with reference to 15 U.S.C. § 1125.

5. This Court has supplemental jurisdiction over all state law claims under 28 U.S.C. § 1367(a).

6. This Court has personal jurisdiction over Defendant S-T Imaging under 28 U.S.C. § 1400 and Wis. Stat. § 801.05.

7. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391 and 1400.

THE PRODUCT AND THE TRADEMARK

8. E-Image sells integrated, desktop microfilm readers designed for public use. The machines are used primarily by libraries, universities, and researchers to allow microfilm to be quickly converted to electronic images that can be edited using digital editing techniques, printed, e-mailed, or saved to other media such as CD-ROMs, flash drives and hard drives.

9. E-Image uses the trademark AUTO-SCAN in connection with its sale of optional software that operates with the microfilm reader and a motorized roll film carrier to automatically scan microfilm. When the software is installed on a computer, it automatically moves a film image into the viewing area and positions the image on the viewing screen, stops the film, straightens the image, crops the image and saves the image to the specified folder in the selected file format and then continues to the next image until finished.

10. E-Image is the owner of U.S. Trademark Registration No. 3981266 for AUTO-SCAN, issued on June 21, 2011, for computer software for controlling a microfilm transport and

capture apparatus for the digital capture of images on microfilm. A true and correct copy of that Registration is attached hereto as Exhibit A.

11. Since at least as early as October 23, 2007, e-Image has continuously and extensively used the AUTO-SCAN trademark throughout the United States in connection with its sale of software for its microfilm reader printer.

12. Since long before the acts complained of herein, e-Image has made significant expenditures to advertise and promote its products nationally under the AUTO-SCAN trademark. E-Image has used the AUTO-SCAN trademark consistently in its marketing, corporate documents, and other contacts with the relevant consuming public.

13. The AUTO-SCAN trademark has come to represent and symbolize the enviable reputation and valuable goodwill associated with e-Image's software product among members of the trade and purchasing public with regard to software used with microfilm scanners.

S-T IMAGING'S UNAUTHORIZED USE OF E-IMAGE'S TRADEMARK

14. S-T Imaging is a direct competitor to e-Image in the microfilm scanning industry.

15. S-T Imaging is very much aware of its primary competitor in this market, and of e-Image's products and its trademarks.

16. S-T Imaging has a history of aggressive, targeted marketing against e-Image and e-Image's products, including practices that have crossed the line between legitimate marketing and marketing practices that violate the trademark laws of the United States as stated in the Lanham Act, 15 U.S.C. § 1051, et seq..

17. In 2008, e-Imaging filed suit in state court alleging false advertising and violations of the Lanham Act in connection with statements S-T Imaging made about e-Image's products.

18. S-T Imaging is now continuing its campaign of using the AUTO-SCAN trademark in its marketing material, including without limitation a press releases dated December 19, 2011. A true and correct copy of a press release from S-T Imaging is attached hereto as Exhibit B.

19. S-T Imaging uses the AUTO-SCAN mark and places a TM next to the mark to imply that the mark is owned by S-T Imaging.

20. S-T Imaging intentionally used the AUTO-SCAN mark to target customers familiar with e-Image's software product and marks.

21. S-T Imaging's unauthorized use of the AUTO-SCAN trademark gives the relevant consuming public the false impression that they are authorized, sponsored by, or affiliated with e-Image or e-Image's AUTO-SCAN product.

22. S-T Imaging's use of the AUTO-SCAN mark on its website and its recent press release falsely attracts customers who are interested in purchasing e-Image's AUTO-SCAN product.

23. S-T Imaging does not sell AUTO-SCAN software, but rather sells a product that competes with e-Image's AUTO-SCAN software.

24. S-T Imaging is not authorized to sell AUTO-SCAN software or use e-Image's trademark.

25. S-T Imaging's misappropriation and unauthorized use of e-Image's AUTO-SCAN trademark is likely to cause confusion, mistake or deception about to the relationship between e-Image and S-T Imaging and, ultimately, the origin and quality of e-Image's AUTO-SCAN software.

DAMAGE TO E-IMAGE

26. A significant amount of e-Image's business comes from repeat customers and word-of-mouth referrals, making the positive opinion of current customers a key component of e-Image's success.

27. As a direct and proximate cause of the S-T Imaging's use of the AUTO-SCAN mark as described in this Complaint, e-Image has suffered and continues to suffer damages as a result of confusion caused by the unauthorized use of its trademark.

28. On January 20-24, 2012, both S-T Imaging and e-Image will be attending a trade show in Dallas.

29. E-Image is likely to suffer further damage if S-T Imaging continues its unauthorized use of the AUTO-SCAN trademark at this trade show.

30. Unless S-T Imaging is enjoined from using e-Image's trademark and from falsely representing it is an authorized distributor of e-Image products and have access to new products, consumers familiar with e-Image and its products are likely to believe that S-T Imaging is endorsed, supported, authorized or associated with e-Image when such a relationship does not exist. This unauthorized use of e-Image's AUTO-SCAN trademark is likely to injure the reputation that e-Image has established for its goods and the resulting goodwill, which will result in damage to e-Image.

31. Because of the damage to e-Image's good will and reputation, e-Image cannot be fully compensated by monetary relief and, therefore, does not have an adequate remedy at law.

32. E-Image will suffer irreparable harm if S-T Imaging and its distributors are not temporarily and permanently enjoined from the use of E-Image's AUTO-SCAN trademark and from engaging in unfair business practices intended to cause confusion in the market.

Count One
TRADEMARK INFRINGEMENT
IN VIOLATION OF THE LANHAM ACT §§ 32, 43(a) (15 U.S.C. §§ 1114, 1125(a))

33. E-Image realleges and incorporates by reference as if fully set forth herein the allegations contained in paragraphs 1 through 32.

34. S-T Imaging has used e-Image's AUTO-SCAN trademark to give the relevant consuming public the false impression it is an authorized distributor of e-Image's software.

35. S-T Imaging has used e-Image's AUTO-SCAN trademark to falsely attract customer interest in an effort to increase sales of a competitive product.

36. S-T Imaging is not authorized to use e-Image's AUTO-SCAN trademark.

37. S-T Imaging's use of e-Image's AUTO-SCAN trademark is likely to cause confusion or mistake or to deceive customers into falsely believing that S-T Imaging's products come from e-Image, or that e-Image has approved of or sponsored S-T Imaging's products, all in violation of the Lanham Act §§ 32 and 43(a) (15 U.S.C. §§ 1114 and 1125).

38. S-T Imaging's unauthorized use of e-Image's AUTO-SCAN trademark was and continues to be done intentionally, willfully, and with a reckless disregarding for e-Image's rights.

39. S-T Imaging's actions have unjustly damaged e-Image's trademark, business reputation and the good will associated with e-Image's trademark.

40. S-T Imaging's actions are causing irreparable injury to e-Image for which there is no adequate remedy at law.

41. S-T Imaging's actions constitute willful trademark infringement entitling e-Image to the remedies set forth in 15 U.S.C. § 1117 and 15 U.S.C. § 1118.

Count Two
COMMON LAW TRADEMARK INFRINGEMENT

42. E-Image realleges and incorporates by reference as if fully set forth herein the allegations contained in paragraphs 1 through 41.

43. S-T Imaging's unauthorized use of the AUTO-SCAN trademark in promotion of its digital scanning equipment and software constitutes trademark infringement in violation of Wisconsin's common law.

44. Unless the Court enjoins the S-T Imaging from using e-Image's AUTO-SCAN, e-Image will suffer irreparable harm for which it has no adequate remedy at law.

Count Three
COMMON LAW TRADEMARK INFRINGEMENT

45. E-Image realleges and incorporates by reference as if fully set forth herein the allegations contained in paragraphs 1 through 44.

46. S-T Imaging's foregoing conduct constitutes an unfair method of competition in violation of Wisconsin's common law.

47. Unless the Court enjoins S-T Imaging from employing such unfair methods, e-Image will suffer irreparable harm for which it has no adequate remedy at law.

WHEREFORE, Plaintiff e-ImageData Corp. respectfully requests judgment and relief jointly and severally against S-T Imaging as follows:

1. A preliminary and permanent injunction prohibiting S-T Imaging's use of e-Image's trade name and trademarks;

2. An order requiring destruction of all marketing materials containing e-Image's AUTO-SCAN trademark and the withdrawal from the market any advertising using the infringing mark that have been placed in any third-party trade journals or catalogs;

3. Monetary relief, in an amount to be determined by the trier of fact for all harm e-Image has suffered as a result of S-T Imaging's actions, including without limitation lost sales and lost sales opportunities, costs of responsive advertising, or revenues obtained by Defendant as a consequence of its wrongful acts, and other actual damages or monetary relief;

4. Treble damages as provided under 15 U.S.C. § 1117(a);

5. E-Image's actual costs and attorneys' fees as provided for under the Lanham Act, 15 U.S.C. §§ 117, 1125(a);

6. E-Image's pecuniary loss, plus statutory enhanced damages, as well as its actual costs and attorneys' fees, all as provided for under Wis. Stat. § 100.18; and

7. Such other and further relief as the court deems necessary and just.

JURY DEMAND

e-Image requests a trial by jury on all issues triable by jury.

Dated this 21st day of December, 2011.

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